

SENATE BILL NO. 391

INTRODUCED BY L. GROSFIELD

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A BILL FOR AN ACT ENTITLED: "AN ACT CLARIFYING THAT ACADEMIC FREEDOM APPLIES TO UNIVERSITY TOURISM RESEARCH; REMOVING THE AUTHORITY OF THE TOURISM ADVISORY COUNCIL OVER TRAVEL RESEARCH; CLARIFYING THE PURPOSE OF RESEARCH TO BE PERFORMED BY THE TRAVEL RESEARCH PROGRAM AT THE UNIVERSITY OF MONTANA-MISSOULA; AMENDING SECTIONS 2-15-1816 AND 15-65-121, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 2-15-1816, MCA, is amended to read:

"2-15-1816. Tourism advisory council. (1) There is ~~created~~ a tourism advisory council.

(2) The council is composed of not less than 12 members appointed by the governor from Montana's private sector travel industry and includes at least one member from Indian tribal governments, with representation from each tourism region initially established by executive order of the governor and as may be modified by the council under subsection (5).

(3) Members of the council shall serve staggered 3-year terms, subject to replacement at the discretion of the governor. ~~The governor shall designate four of the initial members to serve 1-year terms and four of the initial members to serve 2-year terms.~~

(4) The council shall:

(a) oversee distribution of funds to regional nonprofit tourism corporations for tourism promotion and to nonprofit convention and visitors bureaus in accordance with Title 15, chapter 65, part 1, and this section;

(b) advise the department of commerce relative to tourism promotion;

(c) advise the governor on significant matters relative to Montana's travel industry;

(d) prescribe allowable administrative expenses for which accommodation tax proceeds may be used by regional nonprofit tourism corporations and nonprofit convention and visitors bureaus;

~~(e) direct the university system regarding Montana travel research;~~

~~(f) approve all travel research programs prior to their being undertaken; and~~

1 ~~(g)~~(e) encourage regional nonprofit tourism corporations to promote tourist activities on Indian
2 reservations in their regions.

3 (5) The council may modify the tourism regions established by executive order of the governor.

4 (6) The department of commerce shall adopt ~~such~~ rules ~~as~~ that may be necessary to implement
5 and administer Title 15, chapter 65, part 1, and this section."

6
7 **Section 2.** Section 15-65-121, MCA, is amended to read:

8 **"15-65-121. (Temporary) Distribution of tax proceeds.** (1) The proceeds of the tax imposed by
9 15-65-111 must, in accordance with the provisions of 15-1-501, be deposited in an account in the state
10 special revenue fund to the credit of the department. The department may spend from that account in
11 accordance with an expenditure appropriation by the legislature based on an estimate of the costs of
12 collecting and disbursing the proceeds of the tax. Before allocating the balance of the tax proceeds in
13 accordance with the provisions of 15-1-501 and as provided in subsections (1)(a) through (1)(e) of this
14 section, the department shall determine the expenditures by state agencies for in-state lodging for each
15 reporting period and deduct 4% of that amount from the tax proceeds received each reporting period. The
16 amount deducted must be deposited in the fund or funds from which in-state lodging expenditures were
17 paid by state agencies. The amount of \$400,000 each year must be deposited in the Montana heritage
18 preservation and development account provided for in 22-3-1004. On July 1, 1997, the amount of
19 \$45,000 is transferred to the department of commerce for purposes of a grant to the Fort Peck
20 interpretive center. The balance of the tax proceeds received each reporting period and not deducted
21 pursuant to the expenditure appropriation or deposited in the fund or funds from which in-state lodging
22 expenditures were paid by state agencies or in the Montana heritage preservation and development
23 account is statutorily appropriated, as provided in 17-7-502, and must be transferred to an account in the
24 state special revenue fund to the credit of the department of commerce for tourism promotion and
25 promotion of the state as a location for the production of motion pictures and television commercials, to
26 the Montana historical society, to the university system, and to the department of fish, wildlife, and parks,
27 as follows:

28 (a) 1% to the Montana historical society to be used for the installation or maintenance of roadside
29 historical signs and historic sites;

30 (b) 2.5% to the university system for the establishment and maintenance of a Montana travel

1 research program that conducts:

2 (i) research for the purpose of assisting the recreation and tourism industry relative to planning,
3 marketing, and management; and

4 (ii) research for the purpose of assisting policymakers relative to proposals and decisionmaking on
5 recreation and tourism policy;

6 (c) 6.5% to the department of fish, wildlife, and parks for the maintenance of facilities in state
7 parks that have both resident and nonresident use;

8 (d) 67.5% to be used directly by the department of commerce; and

9 (e) (i) except as provided in subsection (1)(e)(ii), 22.5% to be distributed by the department to
10 regional nonprofit tourism corporations in the ratio of the proceeds collected in each tourism region to the
11 total proceeds collected statewide; and

12 (ii) if 22.5% of the proceeds collected annually within the limits of a city or consolidated
13 city-county exceeds \$35,000, 50% of the amount available for distribution to the regional nonprofit
14 tourism corporation in the region where the city or consolidated city-county is located, to be distributed
15 to the nonprofit convention and visitors bureau in that city or consolidated city-county.

16 (2) If a city or consolidated city-county qualifies under this section for funds but fails to either
17 recognize a nonprofit convention and visitors bureau or submit and gain approval for an annual marketing
18 plan as required in 15-65-122, then those funds must be allocated to the regional nonprofit tourism
19 corporation in the region in which the city or consolidated city-county is located.

20 (3) If a regional nonprofit tourism corporation fails to submit and gain approval for an annual
21 marketing plan as required in 15-65-122, then those funds otherwise allocated to the regional nonprofit
22 tourism corporation may be used by the department of commerce for tourism promotion and promotion
23 of the state as a location for the production of motion pictures and television commercials.

24 (4) At least once each year, the university of Montana-Missoula shall consult with policymakers
25 and private and governmental groups involved with or interested in tourism, heritage tourism, recreation,
26 and the travel industry in Montana for the purpose of soliciting recommendations concerning research
27 needs relative to assisting policymakers and the recreation and tourism industry with:

28 (a) planning, marketing, and management information; and

29 (b) information relative to the status, needs, and social and economic impacts of Montana
30 recreation and tourism, including heritage tourism. (Terminates July 1, 2001--sec. 23(3), Ch. 469, L.

1 1997.)

2 **15-65-121. (Effective July 1, 2001) Distribution of tax proceeds.** (1) The proceeds of the tax
3 imposed by 15-65-111 must, in accordance with the provisions of 15-1-501, be deposited in an account
4 in the state special revenue fund to the credit of the department. The department may spend from that
5 account in accordance with an expenditure appropriation by the legislature based on an estimate of the
6 costs of collecting and disbursing the proceeds of the tax. Before allocating the balance of the tax
7 proceeds in accordance with the provisions of 15-1-501 and as provided in subsections (1)(a) through
8 (1)(e) of this section, the department shall determine the expenditures by state agencies for in-state
9 lodging for each reporting period and deduct 4% of that amount from the tax proceeds received each
10 reporting period. The amount deducted must be deposited in the fund or funds from which in-state lodging
11 expenditures were paid by state agencies. The balance of the tax proceeds received each reporting period
12 and not deducted pursuant to the expenditure appropriation or deposited in the fund or funds from which
13 in-state lodging expenditures were paid by state agencies is statutorily appropriated, as provided in
14 17-7-502, and must be transferred to an account in the state special revenue fund to the credit of the
15 department of commerce for tourism promotion and promotion of the state as a location for the production
16 of motion pictures and television commercials, to the Montana historical society, to the university system,
17 and to the department of fish, wildlife, and parks, as follows:

18 (a) 1% to the Montana historical society to be used for the installation or maintenance of roadside
19 historical signs and historic sites;

20 (b) 2.5% to the university system for the establishment and maintenance of a Montana travel
21 research program that conducts:

22 (i) research for the purpose of assisting the recreation and tourism industry relative to planning,
23 marketing, and management; and

24 (ii) research for the purpose of assisting policymakers relative to proposals and decisionmaking on
25 recreation and tourism policy;

26 (c) 6.5% to the department of fish, wildlife, and parks for the maintenance of facilities in state
27 parks that have both resident and nonresident use;

28 (d) 67.5% to be used directly by the department of commerce; and

29 (e) (i) except as provided in subsection (1)(e)(ii), 22.5% to be distributed by the department to
30 regional nonprofit tourism corporations in the ratio of the proceeds collected in each tourism region to the

1 total proceeds collected statewide; and

2 (ii) if 22.5% of the proceeds collected annually within the limits of a city or consolidated
3 city-county exceeds \$35,000, 50% of the amount available for distribution to the regional nonprofit
4 tourism corporation in the region where the city or consolidated city-county is located, to be distributed
5 to the nonprofit convention and visitors bureau in that city or consolidated city-county.

6 (2) If a city or consolidated city-county qualifies under this section for funds but fails to either
7 recognize a nonprofit convention and visitors bureau or submit and gain approval for an annual marketing
8 plan as required in 15-65-122, then those funds must be allocated to the regional nonprofit tourism
9 corporation in the region in which the city or consolidated city-county is located.

10 (3) If a regional nonprofit tourism corporation fails to submit and gain approval for an annual
11 marketing plan as required in 15-65-122, then those funds otherwise allocated to the regional nonprofit
12 tourism corporation may be used by the department of commerce for tourism promotion and promotion
13 of the state as a location for the production of motion pictures and television commercials.

14 (4) At least once each year, the university of Montana-Missoula shall consult with policymakers
15 and private and governmental groups involved with or interested in tourism, heritage tourism, recreation,
16 and the travel industry in Montana for the purpose of soliciting recommendations concerning research
17 needs relative to assisting policymakers and the recreation and tourism industry with:

18 (a) planning, marketing, and management information; and

19 (b) information relative to the status, needs, and social and economic impacts of Montana
20 recreation and tourism, including heritage tourism."

21

22 **NEW SECTION. Section 3. Effective date.** [This act] is effective on passage and approval.

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